

Strategic Planning

Building Alignment and Commitment

:

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SUMMARY

Strategic alignment leads to increased profits, sales growth and better customer satisfaction. Alignment requires a clear definition of business strategies and a strong organization wide commitment to continuous change. To build strategic alignment and meet business performance expectations we typically engage in a number of planning phases.

We begin with a “**Discovery and Planning**” phase to gain input, share ideas, design/select the process for change and build a common “data base” that establishes a compelling and urgent business case for change.

The initial and very informal “**Discovery Sessions**” are typically followed by a “**Direction Setting**” phase where key stakeholders and organizational representatives will review your organizations current performance, competitive position and marketplace trends. This information is used to create a clear sense of urgency for the organization to change. The desire is initially acted upon by crafting a common vision to address the forces for change as well as draft the objectives and measures to move your organization towards your common vision.

An **Action Planning** session is designed to engage leadership to: (1) align key strategies with your vision, values and objectives, set performance targets and determine the resources required to implement the agreed-upon strategies.

The “**Implementation and Review Phase**” is where implementation plans are developed by your organization in alignment with the strategic plan. A review process is defined giving consideration to tracking key indicators for results.

All elements focus on using the planning process to build a supportive organization culture and developing the leadership behaviors necessary to execute your strategies and track measurable objectives that get meaningful results.

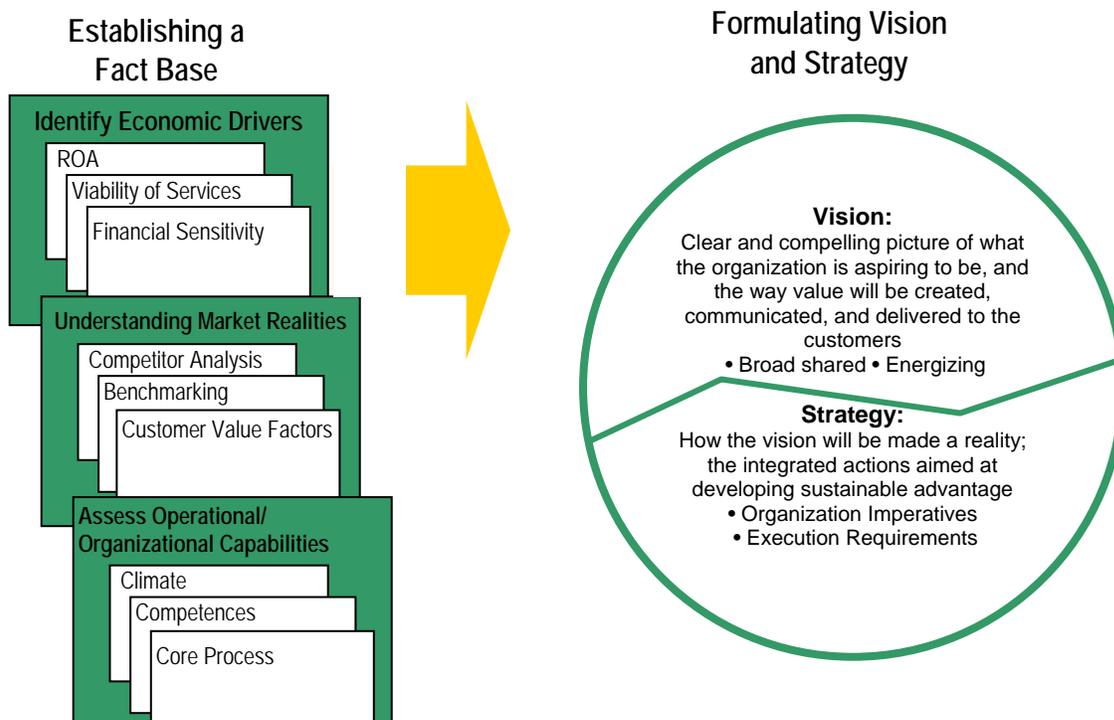
DISCOVERY AND PLANNING

Design the Planning Process

A well developed strategic planning model that engages both leadership and employees in an active process of creating change is an effective method to build alignment and commitment to a common direction across your organization. Strategic Planning is a process that needs fit your organization, we often form a small “design team” to customize a strategic planning model that is responsive to your organizations unique characteristics and sensitive to current business demands. This may involve reviewing strategic planning models, designing the sessions, establishing timelines, reviewing existing organization data, identifying useful pre-planning materials, coordinating interviews and meetings as well as specifying key deliverables.

Establish a Fact Base and Conduct Stakeholder Interviews

We often start by conducting interviews with leadership to understand strategic and organization issues from each member's perspective, explore cultural characteristics as well as gain a sense of your organizations readiness for change. These interviews are used to design the strategic planning process and activities, prepare pre-work and identify information to be included in the planning sessions. If an organization cultural or customer survey has not been completed we often conduct simple assessments to establish a baseline for change. Additional input from other key stakeholders such as employees, suppliers, business partners in service delivery and end users can also be acquired via focus groups or interviews.



DIRECTION SETTING

This first session establishes the firm foundation for the strategic planning process. Based on initial discovery, the following or additional topics could be included:

Review of Organization Capabilities

Core Competencies Review basic competencies, key processes or cultural attributes that lie at the core of your organization's competitive advantage.

Benchmarks Identify key performance drivers or differentiators and then compare them to industry standards to determine where future opportunities exist to leverage capabilities.

Products and Services Discuss the potential of current and future products and services to address market changes, technology trends and profitability requirements.

Customer Value Use existing survey data, interviews and focus groups to identify end-user or distribution channel member value drivers.

Threats and Opportunities Based on a review of organizational capabilities, define key threats and opportunities in light of various growth scenarios.

Formation of Vision and Strategies

Mission and Values Establish or confirm the purpose of the organization and the values that drive current/future behavior of the leadership team and the organization.

Vision Build common understanding about the organization philosophy and vision statement by creating clear compelling images of potential scenarios describing your organization's future. Most importantly the team will base this upon a common understanding about the forces driving change and the level of urgency.

Organization Strategies Define how the vision will become a reality in light of marketplace requirements and organizational capabilities. The team will identify integrated actions aimed at developing sustainable competitive advantage over the next 3-4 years.

Organization Imperatives Using the organization review and vision as a context, establish clarity and alignment on the 2-3 year priorities and primary measures that your organization must pursue to sustain its future success. A high level scorecard can be created outlining the measures for successfully addressing the imperatives.

This session typically involves 1-2 Days with the leadership team and/or a "diagonal slice" of the organization. The meetings can be broken into one day or a series of half day sessions to review capabilities and set strategic direction.

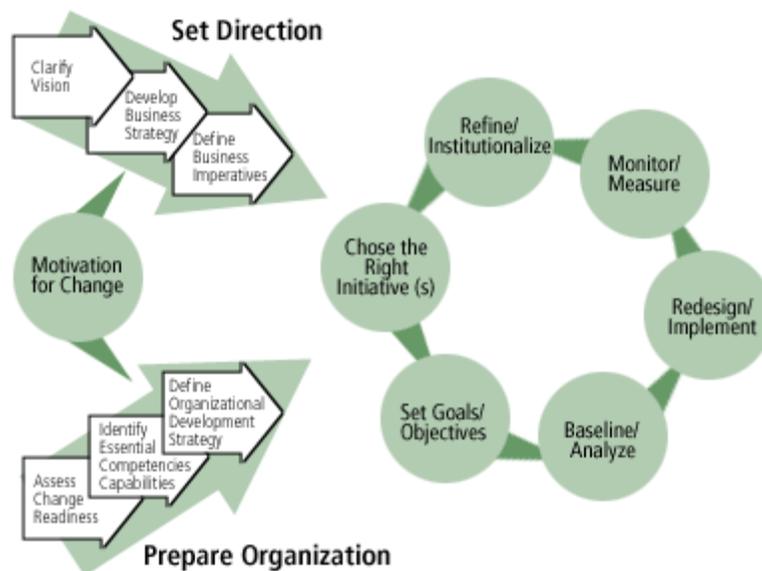
ACTION PLANNING

At this point, the question before the organization is how best to implement your strategies and effectively determine the resources that will be required. A session will be designed to engage leadership at the beginning of this phase to: (1) agree on more refined performance targets (2) perform the analytical work to determine the resources required to implement the agreed-upon organization strategies. The results from the session and follow-up actions conducted by leadership by the team will have:

Commitment to Key Strategies Agreement that the strategies and measures are the right targets for your organization's future. This may involve testing the alignment of the draft strategies with the marketplace changes, customer requirements and development opportunities.

Defined Accountabilities and Measures Ideally the planning process would identify individual accountabilities and success indicators for implementing the strategic plan. This session typically has a much more "tactical" feel than the first session.

Enough planning detail will be facilitated to build ownership and confidence that the plan can succeed and be effectively communicated to the rest of the organization.



Before initiating the implementation phase, we ensure leadership has a clear commitment to: (1) action plans for each of the strategies; (2) a method to track and evaluate progress — a master plan that includes the sequence and timing for implementing the strategies; (3) a ROI analysis; and (5) an evaluation plan.

IMPLEMENTATION AND REVIEW

To execute this phase your organization could choose to continue to use external support or exclusively draw on internal capabilities and current **Business Planning Process**. Once team members establish their work group of functional plans, individuals can create the individual performance plans based on selected organization and functional goals. However, your organization may choose to develop and build on their current methods for communication, building ownership, gaining commitment, developing capabilities and conducting reviews to insure that the new strategic direction does not stay in the room where it was created.

Prepare the Organization

Your Strategic Plan may involve varying degrees of expansion, increased research and training, customer focus, product development, quality improvement, changes in service/product scope or in management development. Your organization's future strategies and plans serve as the foundation for functional or operational planning. However, implementing the functional or operational plans may require targeted efforts to lay the ground-work to develop the organization and prepare for the change.

Assess and Create Readiness

Turning strategy into reality requires that everyone understands the exact way in which his or her contribution is crucial to achieving the overall vision. Based on the needs and experience of your organization, a process could be designed to insure that your vision and strategy are understood and acted upon at all levels. The process would insure that:

- People feel the strategic direction and their goals are compelling
- Employees can describe the link between their contribution and the goals
- Everyone's attention is focused on building capability and competitive advantage
- People feel the goals have been personalized for their jobs

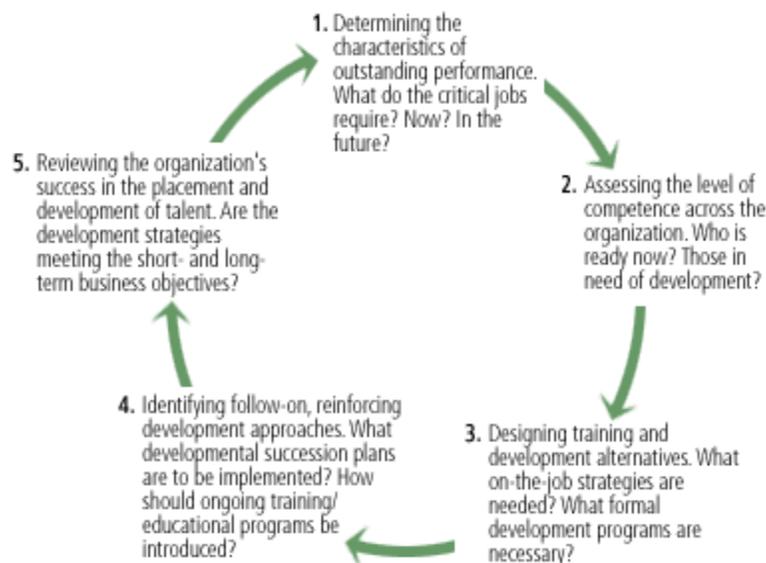
Identify Essential Competencies

Your Strategic Plan will provide each function with the information, support and resources to align their objectives and action plans with organization-wide strategies. Implementation of the strategies across functional units may require new capabilities, redesigned work processes and work activities. To develop these new capabilities and required changes it may be necessary to define the desired competencies — "what outstanding performance will look like" — as people adopt new ways of doing things.

Competencies are defined as those characteristics of a person that account for and predict outstanding performance in a particular job, role, organization or culture. At this point a competency model can be developed for key positions or levels identified as necessary for successful strategy implementation.

Establish an Organization Development Plan

Strategic change efforts that lead to sustained breakthrough improvements typically do not just happen; they are systematically managed. Identifying competencies is a first step, developing the competencies in an integrated development plan is the next step.



Your vision and organization strategies will help shape the organizational readiness, increase their ability to manage change and ensure that right competencies are aligned with the organization development needs of the new direction.

Recognize Progress Some process should be established to regularly assess strategic planning progress. The nature of planning is change. The strategic plan should be regularly assessed and modified to fit the current realities of the organization.

Formal Reviews It is generally a good idea to hold formal strategic planning reviews (experience suggests that these reviews be held after three months and after nine months). These reviews can be multiple-hour affairs and are easily incorporated into the real work of the executive management team. Session is typically combined with executive coaching sessions.

Gregg Taragos, Ph.D., has spent 20 years implementing organization change strategies, strategic planning, organization design and team building for executives and line managers. His work in strategic planning has focused on Fortune 500 organizations as well as small businesses to create strategies that support company-wide change initiatives. Before becoming an external consultant he taught in Mexico and Scotland, followed by work on a change strategy with a consulting team that received a \$100,000 Ford Foundation grant from Harvard University. He received his doctorate in Organization Development from the University of Minnesota. A recent emphasis has been supporting organizations in building business-to-business partnerships. The process has been applied with clients across industries including telecommunications, electronics, and manufacturing, petroleum and computer peripherals.